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SUBJECT: IAEA/ELBARADEI UNPLUGGED: DIRECTOR GENERAL'S
BOARD INTERVENTION CHASTISES IRAN, REFLECTS ON NPT

Summary and Comment

¶1. (SBU) In a wide-ranging intervention following Iranian Ambassador Soltanieh's customary diatribe at the conclusion of the Iran agenda item at the ongoing IAEA Board of Governors meeting, Director General (DG) ElBaradei took Iran to task amid the DG's "general reflections" on the health and well being of the NPT regime.. ElBaradei's off-the-cuff remarks, delivered in the tone of a private appeal to Iran, demonstrated his increasing propensity to speak as a free agent in the twilight of his tenure as Director General, but it also highlighted willingness to spotlight Iranian intransigence despite the outreached hand of the United States. In particular, he rejected Soltanieh's assertion that the world is hearing the same old statements from those who claim to speak of "change," a clear reference to the United States. Speaking in his stream-of-consciousness style, ElBaradei weaved in reflections on lessons learned from the DPRK that underlined the need for dialogue with Iran and on other nuclear non proliferation issues. The Director General appealed to Iran to seize the opportunity for engagement as he did in his introductory remarks, acknowledged the "gridlock" on the Iranian nuclear file (for which he largely blamed Iran) and insisted that the reason the Iran item is on the agenda of the Board "is because I put it there," in response to Iran's arguments that it be removed. While we may disagree with several elements of ElBaradei's intervention, which took on the character and tone of a "lecture" by the Nobel Laureate to the Board, he effectively put Iran on the defensive and threw Soltanieh off his game. Setting aside some of the overblown statements on familiar themes (for example, claiming the 2007 Iran work plan was successful in removing all questions about Iran's enrichment program and declaring he'd be "delighted" if the documents indicating nuclear weapons work in Iran were fake as in Iraq), ElBaradei made clear that issue before the Board were important issues "of war and peace" and Iran was only punishing itself by refusing to engage in a substantive discussion with him. He also helpfully urged Iran to consider a "freeze -for- freeze" (an idea for which he took personal credit advocating for three years), and noted that Iran has no commercial need for enrichment. The Director General extended his injunction for cooperation to Syria, including beyond strictly legal obligations by applying the Additional Protocol. The overall message of ElBaradei's lecture to Iran was to "end the kabuki dance," as he put it and move forward.

¶2. (SBU) Regarding other verification matters, ElBaradei remarked that the North Korean nuclear issue was an illustration of "how not to deal with verification issues," and showed that issues improved during periods of dialogue. He also addressed Syria, noting that it was in Syria's best interest to cooperate with the IAEA on its investigation at the destroyed facility at Dair Alzour. ElBaradei expressed hope for the future of the NPT, given President Obama and

Medvedev's statements on the elimination of global nuclear weapons, and advocated for the universalization of the Additional Protocol and a multinational approach to the nuclear fuel cycle. In addition, ElBaradei complained about the limitations the IAEA has with regard to access to satellite imagery, lack of independent capability to validate on environmental sample results, and an underfunded budget. End Summary and Comment.

DG's Tutorial/Lessons-Learned on DPRK:
"Dialogue the Only Way"

¶3. (SBU) Before addressing the Iran issue, the DG used a simplified (and not altogether accurate) history of the DPRK case to undergird his coming argument for a solution in Iran.

ElBaradei noted that the DPRK issue had been before the IAEA and Board for 17 years. He said this case illustrated "how not to deal with verification issues." The DG said he saw the situation go from bad to worse and drew out the correlation that during periods of dialogue North Korea's nuclear ambitions were contained, such as during the Agreed Framework. The DG observed that during periods of no dialogue, such as after the inspectors were kicked out in 2003, there was more fissile material extracted for weapons and a nuclear test. The situation got better during the dialogue of the Six Party Talks, but now this has ended and North Korea has conducted another nuclear test and announced a uranium enrichment program. Undoubtedly with Iran in mind, the DG said "we need to talk to each other, not at each other" and that we "need to find a solution rather than call

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each other names," and that "dialogue is the only solution."

¶4. (SBU) Continuing his tutorial, he asserted that "we need to reflect on what is the right track." He said there is a sense of cynicism about the NPT because of the perception that it is not being "implemented in a balanced way." But now, the situation has "completely changed." Presidents Obama and Medvedev have agreed to work toward a nuclear-free world, which makes realistic the hope that the NPT can now start to be implemented in a "wholesome way" that will reach the "NPT's ultimate goal of disarmament." To buttress the case for such hope, the DG cited new attitudes toward the FMCT and CTBTO, as well as work towards smaller nuclear arsenals. He concluded this portion of his comments by expressing the view that the world should not consist of "haves and have-nots."

DG Addresses Iran Issue Head On

¶5. (SBU) In an unusual intervention, Director General (DG) ElBaradei concluded the Iran agenda item (to be reported Septel) at the Board of Governors meeting on June 17 by offering what he called "general reflections" on several IAEA and NPT-related issues. He touched on Iran, DPRK, Syria, budget, fuel assurances, and the need for strengthened safeguards (Additional Protocol, transparency), but the central target of his interjection was Iran. He clearly put the onus on Tehran to take advantage of the "new engagement" opportunity. At times, ElBaradei addressed the Iran issue as if he were having a private, closed-door conversation with Iranian officials and was clearly looking directly at Ambassador Soltanieh. Responding to Soltanieh's claim that the Board is hearing the same message from the U.S. and others that has previously heard, the DG acknowledged that indeed there has been much repetition over the past 4 years, but he noted and regretted that such repetition arises from the fact that the situation in Iran is in gridlock.

¶6. (SBU) ElBaradei explained that the "confidence deficit"

about Iran began when Tehran failed to report the import of nuclear material as well as enrichment-related experiments that had been performed at the Kalaye Electric workshop. He said these failures created problems for both the IAEA and the international community and caused the Iran nuclear file to be treated as "non-routine." Responding to Iran and NAM requests to remove the Iran issue as an agenda item from the Board meetings, ElBaradei emphasized that he was the one to put the issue on the agenda, that he would continue to do so, and that it was "no one else's business."

The Four Pillars

¶17. (SBU) Addressing Iran's argument that its nuclear file was illegally referred to the UNSC, ElBaradei described four pillars to the NPT regime-the IAEA, the UNSC, multilateral dialogue, and bilateral dialogue-all of which must work together to address and resolve issues, including Iran. ElBaradei expressed the view that recently the UNSC has shown used "sticks" through the adoption of sanctions, but that more must be done to move away from this pattern; the UNSC is also supposed to be a place for solving issues through dialogue. He argued that when there is dialogue, only then, will there be movement on the issues.

Work Plan Not So Bad

¶18. (SBU) Recalling that the IAEA received a great deal of criticism over the Iran "work plan" adopted in August 2007, ElBaradei claimed that the IAEA accomplished a major achievement-through the "work plan"-with regard to Iran's uranium enrichment program. He said that even the UNSC "paid tribute" to the IAEA's success. (Comment: This observation conveniently ignores the fact that, as the DG has reported several times, the IAEA is not in position to offer any assurances about the absence of undeclared uranium enrichment activities in Iran.)

¶19. (SBU) ElBaradei also appealed to Iran to implement the Additional Protocol (AP) and Code 3.1. He told Iran that setting aside UNSC requirements and obligations, the IAEA needs Iran to implement the AP so that the IAEA can make sure "things don't happen as they did in the past." Directing his comments directly to Soltanieh, the DG argued that Iran

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should implement the AP and Code 3.1 if they hope to build confidence.

"Freeze-for- Freeze" and "New Air "from
Washington"

¶10. (SBU) Stating that Iran's uranium enrichment-related activities were at the crux of its problems, ElBaradei emphasized to Iran that no one was questioning its rights to peaceful uses of nuclear technology, and noted how suspension would help build confidence. Recalling how he has been championing the "freeze - for-freeze" idea for several years ElBaradei cited the "new air from Washington," there was no need for Iran to continue to rush to build enrichment capabilities, especially since the world already knows Iran has the technology to do so. He said that "no one loses anything" with a "freeze-for- freeze," especially since Iran has no immediate need for commercial enrichment. He also said that Iran is only penalizing itself, and this rut cannot continue, especially as "people are starting to make fun of the situation."

Need to Share the "Alleged Studies"

¶11. (SBU) With regard to the "alleged studies"-the green salt diagram, the missile re-entry vehicle design, and the high explosives work-ElBaradei commented that the IAEA has shared "some" of the information it has, but not "all." ElBaradei noted that he understands the sensitivities with "sources and methods," but Iran at least deserves copies of the material for "due process." Pointing to DDG Safeguards Olli Heinonen and Ops B Director Herman Nackaerts, ElBaradei explained that there was enough substance in the "alleged studies" information to make "these guys" concerned, so Iran must engage in substantive discussions on this matter "of war and peace." He said that he would be "delighted" if the documents were "fake" as in the case of Iraq, but the IAEA needs Iran's help in getting to the bottom of the issue. He also noted that while the 16 U.S. intelligence agencies concluded that Iran stopped its weapons program in 2003, "others" (NFI) do not agree, and the "IAEA just does not know." Again directing his gaze at Soltanieh, he said, "you need to talk to me, and you have not done that."

In Syria's Best Interest to Cooperate

¶12. (SBU) On Syria, the DG recalled some Member States have said that the IAEA should not go beyond the obligations of the Comprehensive Safeguards Agreement (CSA). (Comment: During the Syria agenda item that followed, a number of NAM countries reiterated that countries should not be asked to cooperate beyond their legal safeguards obligations. End Comment). The DG agreed that the authorities under the CSA are limited and then spoke directly to Syria saying "if you want to prove allegations are not accurate, the best thing to do is to be transparent" and added that it is in Syria's best interest to do so. ElBaradei indicated that he has deplored Israel "more than once," noting that, "not many of you did, I did." In spite of this, he said that Syria also has an obligation and he hoped that the the issue of legalities would not result in this issue never being removed from the Board's agenda.

IAEA's Limits

¶13. (SBU) In addition to explaining why both Iran and Syria need to extend additional transparency to the IAEA, ElBaradei commented that the IAEA has limited authorities and lack of independence when it comes to acquiring satellite imagery and validating environmental sampling. The DG referred to the ongoing budget debate and thanked the U.S. specifically for its leadership and for the recent 10 million USD increase in voluntary funding.

The Need for Universalization of the Additional Protocol

¶14. (SBU) ElBaradei explained-using the Iraq example-that without the AP, the IAEA has no credible verification

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mechanisms to provide assurances of the absence of undeclared nuclear material and activities in any given country, and that it is regrettable that currently there are over 100 countries with a CSA, but no AP. He said he cannot say a country is "absolutely clean" without the AP.

Fuel Assurances and Multinational Approach

¶15. (SBU) ElBaradei noted that unfortunately more and more countries are seeking or are at least interested in their own uranium enrichment and reprocessing capabilities; he said a multinational approach is needed and the Russian International Enrichment Center (with commercial participation by other states) was a first step in the right direction. He noted that as more states develop enrichment, we will have more states with a "1-2 month security margin" (a reference to short breakout timelines for enrichment-capable states). The DG continued, "It is up to you if that is the kind of world you want."

Don't Tell Us How to Do Our Job

¶16. (SBU) In closing, ElBaradei responded to the EU, Australia, and Canada's calls for either a briefing or an annex in the next DG's report on Iran that would include the IAEA's assessment on possible military dimensions (PMD) (to be reported in Septel). He emphasized that the IAEA writes its own reports and it is the Secretariat's business as to what is or is not included, "we are not co-managing safeguards." He then asked Heinonen if he had anything to add. Heinonen responded that the IAEA will carefully study the EU and Australian suggestions, especially on the outstanding issues, and will respond as appropriate in a timely manner. ElBaradei then concluded by announcing that his interjection was not meant to provoke discussion or comment. (Comment: Thus discouraged, no one save Soltanieh responded. Careful to note that he was not "commenting," he just wanted the Board to bear in mind that before the issue was referred to the UNSC, Iran was able to cooperate more. Once referred to UNSC, the Iranian Majles passed a law forbidding AP cooperation and Iran stopped implementing Code 3.1)
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